

NSourceSM
Corporate Services

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July 30, 2004

8/2/04

VIA ELECTRONIC FILING AND FIRST CLASS MAIL

Dennis L. Keschl, Administrative Director
Maine Public Utilities Commission
242 State Street
18 State House Station
Augusta, ME 04333

Re: Northern Utilities, Inc., Docket No. 2003-731

Dear Mr. Keschl:

Pursuant to a second extension granted by the Commission in this docket, the parties must file with the Commission certain factual information or the terms of a settlement by July 30, 2004. This letter summarizes the parties' settlement efforts and seeks an extension of the Commission's requirement for an additional month, until Friday, September 3, 2004.

On July 23, 2004, Northern provided RMH with a summary of the gas cost calculation, showing the monthly volumes (in ccf), CGA and ERC rates, and the total bill amount, labeled as "Energy Costs," accompanied with the underlying base rate calculation. The summary applied the gas costs to (1) the RMH estimated use; (2) the Lewiston comparable use; and (3) the (RMH) requested Lawrence (MA) comparable use. Northern also provided RMH with information relative to its natural gas use based on its known oil usage. This calculation was done by converting RMH's oil use to natural gas and then deriving the use per degree day for the facility and applying that to the period of use. That amount was compared to the use registered by the comparable buildings (in Lewiston and Lawrence). RMH is currently reviewing the material provided. The parties have not yet exchanged firm settlement offers but have scheduled an initial settlement meeting on Thursday August 19.

Accordingly, Northern respectfully continues to request that additional time be granted to determine whether the parties can reach a settlement without necessitating Commission staff involvement. Northern proposes, with RMH's assent, that the parties report back to the Commission on or before September 3, 2004 with an additional status report and/or a settlement agreement for the Commission's review and approval.

Request for
Extension until
Sept 3, 2004
granted
by Order of
Hearing Examiner
Joanne
Stoner

Kindly date stamp the additional copy enclosed for this purpose and return it to us in the envelope provided. Thank you kindly for your assistance with this matter.

Very truly yours,

Patricia M. French

cc: Joanne Steneck, Esq., General Counsel, MPUC
John Branson, Esq., Chadbourne Law Offices, Counsel for RMH